

# *CalPERS Member Home Loan Program*



## *Quarterly Update Report as of December 31, 2007*

Presented by:



Manager of the CalPERS  
Member Home Loan Program

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# CALPERS MEMBER HOME LOAN PROGRAM

## Informational Bulletin

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### *Highlights For The Quarter Ending 12/31/07*

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- **Program to Date**, CalPERS has purchased a total of 129,886 loans totaling \$21.04 billion dollars (figure does not include Personal Loans).
- **Purchases for the Quarter Ending 12/31/07**, were \$99.09 million dollars (figure includes Personal Loans). (see page 4).
- **Portfolio Holdings as of 12/31/07** were \$835.70 million dollars (see page 5).
- **Mortgage Loan Delinquencies (MBA vs. CalPERS) as of 09/30/07:**
  - Fannie Mae MBS Delinquencies increased by 8 bps.
  - MBA delinquency statistics increased by 97 bps (No exposure to CalPERS, see page 6).
- **Whole Mortgage Loan Delinquencies as of 12/31/07** increased by 191 bps. (CalPERS exposure see page 7).
- **Percentage of Personal Whole Loan Delinquency as of 12/31/07** increased by 1.15% (see page 8).
- **Number of Lending Institutions participating in the MHLP** is 23 with a total of 499 branch locations statewide (see page 9).
- **CMI CalPERS Pipeline & Purchase Information for YTD ending 12/31/07:**

Committed not Purchased:	673	\$ 183,286,185	
Total Commitments Issued (YTD):	2,893	\$ 778,354,025	<b>Avg/month: \$ 64,862,835.40</b>
Total Purchased (YTD):	1,800	\$ 466,423,593	<b>Avg/month: \$ 38,868,632.80</b>
Purchase/Refinance Percentage (%):	30%/70%		

#### **Points of Interest - 4rd Quarter, 2007**

##### **2008 CalPERS Marketing Strategy Planning**

The 2008 CalPERS Marketing plan was successfully reviewed and approved by CalPERS staff in September 2007. Mark approved new marketing initiatives which included executing integrated 2008 quarterly marketing campaigns in the top CalPERS markets. These campaigns would include integrated Mass Media (print, radio, public relations), Direct Marketing (email and direct mail campaigns) and Outreach Marketing (workshops and event management) tactics.

In preparation for 2008, the following CalPERS strategic studies were also completed:

- **CalPERS Top 10 Markets Identified.** Analysis was completed to identify the top 10 CalPERS markets based on CalPERS Member counts, median home prices, homeownership percentages and other factors.
- **CalPERS Demographic Profile Study.** Based on Mark Yelavich information, demographic profiles of the CalPERS Members was created (age, race, income etc;). (this demographic study information will be used to drive 2008 creative/messaging development)
- **CalPERS 2008 Editorial Strategy: "Real Stories about Real People."** CalPERS Member Home Loan Program Member success stories will featured in various CalPERS publications in 2008 (*PERSpective* /*Employer News/INCalpers*). Real life stories about Members who can endorse the program will increase the leads generated from these publications.

# CALPERS MEMBER HOME LOAN PROGRAM

## Informational Bulletin

### Next Steps:

CalPERS 2008 Marketing Kick-off Meeting will take place in Sacramento, CA in Jan. 2008. Marketing, Sales Account Executives and Agency Liaisons will present **one integrated** 2008 strategic CalPERS marketing plan.

### **Marketing Highlight: New CalPERS Electronic Communication Tactics (to Drive Leads)**

In order to increase reach, awareness and leads, all of the following are now available electronically (PDF and HTML):

- **Customer Relations Member Home Loan Program brochure** for email distribution
- **Agency Liaison flyers** for email blasts
- **Agency Liaison paycheck stuffers** for email blasts
- **Agency Liaison HTML creative** for agency website pages (example, Santa Clara website: [<http://www.sccgov.org/portal/site/scc>](http://www.sccgov.org/portal/site/scc))
- **Account Executives flyers** for email distribution

### **Marketing/Lead Tracking Report (Top 5 categories)**

Agency Liaison Fair/Conference	1,584 leads	=	48% (of total leads)
CalPERS Website	680 leads	=	21%
Referred by Family/Co-worker	248 leads	=	8%
Pers Web Site	139 leads	=	4%
Paycheck Stuffer	131 leads	=	4%

Total leads generated in 4rd Quarter, 2007 = 3,304

### **CalPERS Agency Outreach (Events):**

The Agency Liaisons attended the Annual CalPERS Educational Forum in October 2007. This is a very important conference for the Agency Liaisons as it gets them in contact with Human Resource Representatives and Benefits' Coordinators. These contacts are used throughout the year to schedule attendance to Benefit Fairs and also to schedule Home Loan Workshops. The Agency Liaisons collected 131 contacts. Post-conference letters were sent to each contact to re-enforce the benefits of the Home Loan Program, as well as the free services both Agency Liaisons can provide.

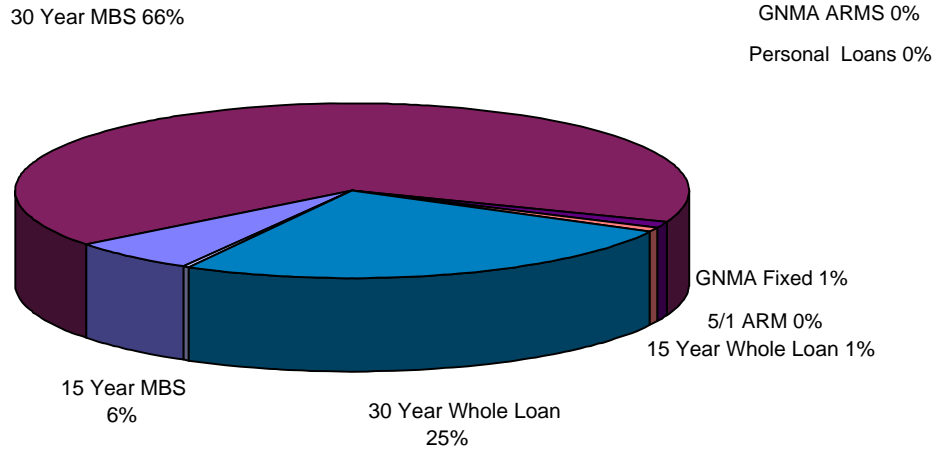
In 2008, the Agency Liaisons will continue focus on offering the new web-based Home Loan Workshop for CalPERS Members. The goal of this new option will offer the flexibility for CalPERS Members to attend a workshop from their desk at work or after work hours so they can attend with other family members. It will also be a great tool for the Agency Liaisons to work more closely with rural and/or smaller CalPERS Agencies that can be difficult for the Agency Liaisons to travel to.

Lastly, 2007 was a landmark year for the Agency Liaisons. Both Agency Liaisons close-to doubled their efforts over 2006. In 2007, the Agency Liaisons collected 6,201 total leads (2006=3,268) and attended approximately 93 events (2006=53). Great job, Melissa Mark and Lori Espinosa!

### **Member Home Loan Program Staff**

Western Region Business Development Manager:	Angela Mia
Consumer and Pooling Division Manager:	Bonnie McKee-Flores
Customer Relations Supervisor:	Vincent Martinez
Director of Marketing:	Emilio Coronado

**CalPERS MEMBER HOME LOAN PROGRAM**  
**PURCHASES**  
**FOR QTR ENDING 12/31/07**



INVESTMENT TYPES	LOANS	AMOUNT PURCHASED	Weighted Avg. Coupon	Weighted Avg. Maturity (Mos.)
<b>FNMA Mortgage Backed Securities<sup>(1)</sup></b>				
15 Year	33	\$ 6,003,630.37	5.12%	171.76
30 Year	270	\$ 65,925,829.51	5.54%	350.87
ARMs (all conforming)	-	\$ -	0.00%	0.00
<b>GNMA Mortgage Backed Securities<sup>(2)</sup></b>				
Fixed	4	987,697.00	6.00%	360.00
Variable	0	0	0.00%	0.00
<b>Whole Loans<sup>(3)</sup></b>				
15 Year	6	\$ 901,843.50	5.68%	174.41
30 Year (including ARMs)	77	\$ 24,914,355.96	5.87%	353.24
<b>Sub-Total</b>	<b>390</b>	<b>\$ 98,733,356.34</b>	<b>5.61%</b>	<b>339.06</b>
Personal Whole Loans	28	\$ 357,732.07	8.80%	172.20
<b>GRAND TOTAL</b>	<b>418</b>	<b>\$ 99,091,088.41</b>	<b>5.62%</b>	<b>338.46</b>

<sup>(1)</sup> FNMA MBS

Servicing fees 25 basis points

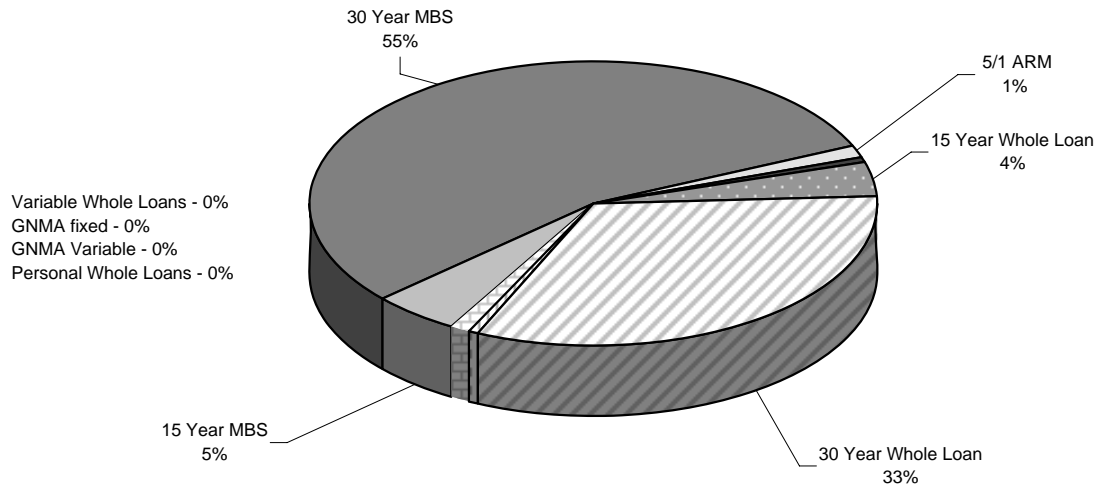
<sup>(2)</sup> GNMA MBS

Servicing fees 19 basis points / 44 basis points  
Guaranty fees 6 basis points

<sup>(3)</sup> Whole Loans

Servicing fixed 25 basis points  
Servicing ARMS 37.5 basis points

**CalPERS MEMBER HOME LOAN PROGRAM**  
**PORTFOLIO HOLDINGS**  
**FOR QTR ENDING 12/31/07**



INVESTMENT TYPES	LOANS	PORTFOLIO BALANCE	Weighted Avg. Coupon	Weighted Avg. Maturity (Mos.)
<b>FNMA Mortgage Backed Security<sup>(2)*</sup></b>				
15 Year	333	\$ 41,010,347.08	5.00%	142.32
30 Year	1,281	\$ 459,746,276.25	5.49%	335.19
5/1 ARM	51	\$ 12,390,170.29	4.24%	326.56
<b>GNMA Mortgage Backed Security<sup>(3)</sup></b>				
Fixed	10	\$ 4,573,916.21	5.84%	343.93
ARMS	2	\$ 334,921.00	6.19%	245.17
<b>Whole Loans<sup>(4)</sup></b>				
15 Year	147	\$ 32,672,316.77	5.11%	129.43
30 Year (includes 20-years)	785	\$ 271,709,871.47	5.66%	317.24
Variable	12	\$ 2,952,073.57	5.57%	327.98
<b>Sub-Total</b>	<b>2,621</b>	<b>825,389,892.64</b>	<b>5.49%</b>	<b>311.41</b>
<b>Personal Whole Loans</b>	<b>1,835</b>	<b>\$ 10,319,130.49</b>	<b>6.99%</b>	<b>104.00</b>
<b>TOTAL *</b>	<b>4,456</b>	<b>\$ 835,709,023.13</b>	<b>5.51%</b>	<b>308.85</b>

<sup>(1)</sup>FNMA MBS

Servicing fees 25 basis points

<sup>(2)</sup>GNMA MBS

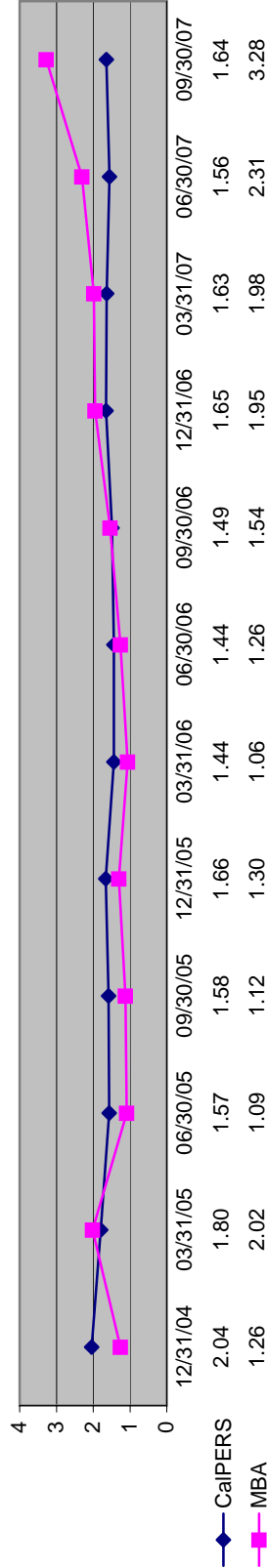
Servicing fees 19 basis points / 44 basis points  
Guaranty fees 6 basis points

<sup>(3)</sup>Whole Loans

Servicing Fixed 25 basis points  
Servicing ARMS 37.5 basis points

\*There are several pools that the Manager is not servicing. These pools do not reflect in the Portfolio Holdings.

CalPERS FNMA MHL P MORTGAGE BACKED SECURITIES (MBS) VS. MORTGAGE BANKERS ASSOCIATION (MBA) % LOANS DELINQUENT



CalPERS FNMA MBS DELINQUENCY

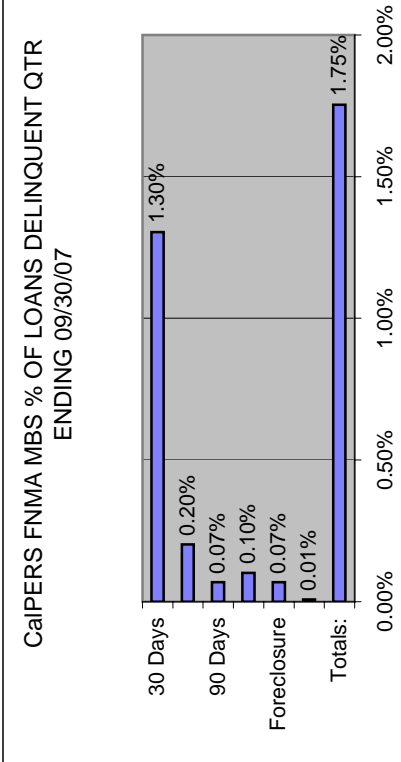
NUMBERS QTR ENDING 09/30/07

	# Loans	% Delinquent	UPB (\$)	% Delinquent
30 Days	322	1.30%	51,955,303.05	1.46%
60 Days	50	0.20%	8,127,205.41	0.23%
90 Days	17	0.07%	2,899,316.12	0.08%
Bankruptcy	25	0.10%	3,660,096.52	0.10%
Foreclosure	17	0.07%	3,104,439.40	0.09%
REO	2	0.01%	384,852.71	0.01%
Totals:	433	1.75%	70,131,213.21	1.97%
<b>Total Portfolio</b>		<b>#</b>	<b>24,682</b>	<b>\$ 3,568,039,478.38</b>

Totals - BK and

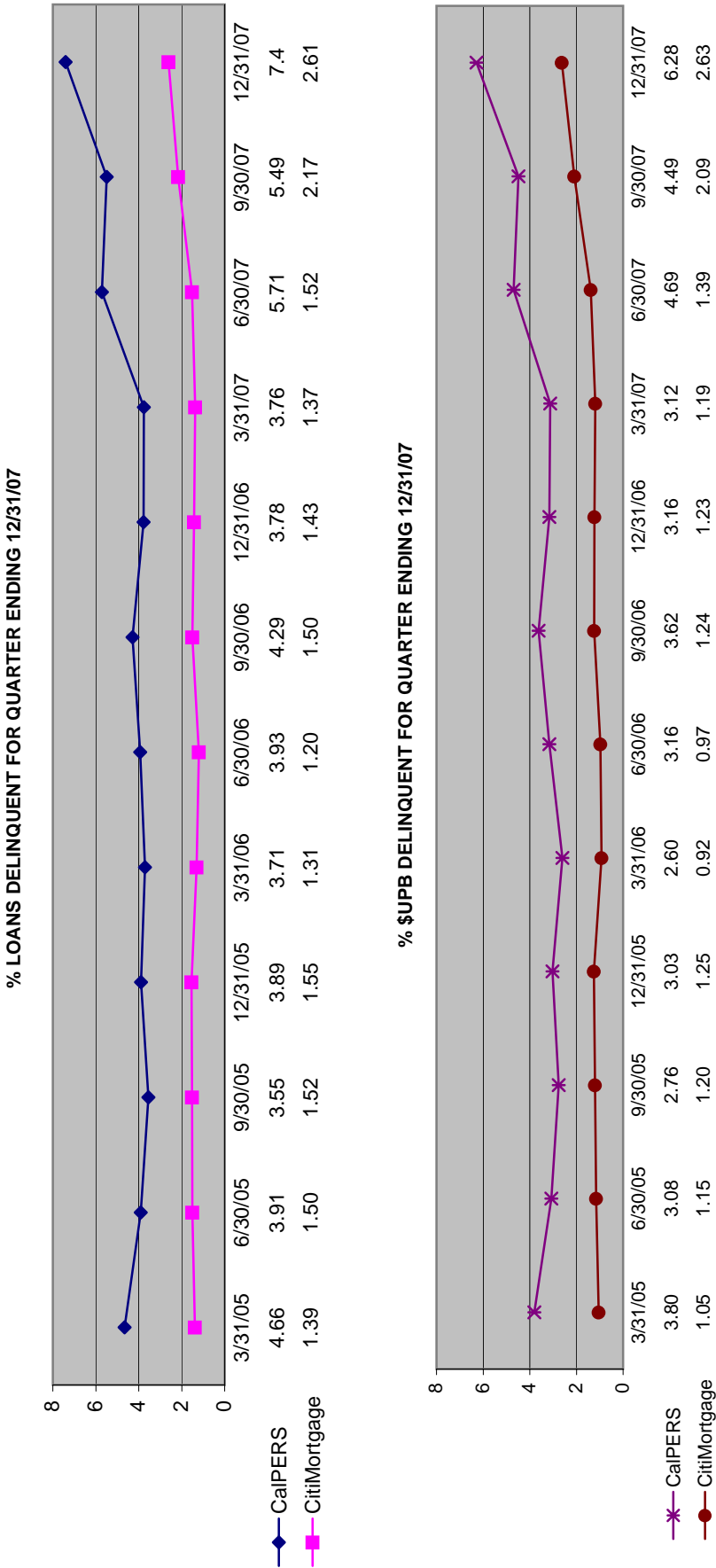
REO:

406 1.64% 66,086,263.98 1.85%



Total Portfolio reflects total MHL P MBS outstanding principal balance regardless of CalPERS ownership of the MHL P MBS.  
 For all graphs above, percentages are based on loan count in order to calculate delinquency data consistent with the MBA. All numbers are rounded up.  
 MBA has no REO/Bankruptcy MHL P percentage will not reflect REO/Bankruptcy.

CalPERS MHL P PARTICIPATION CERTIFICATES VS. CALIFORNIA JUMBO PORTFOLIO

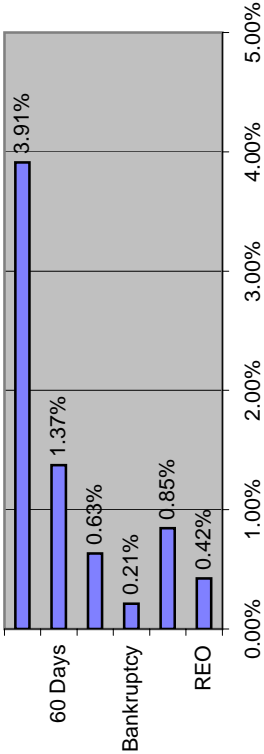


CalPERS PARTICIPATION CERTIFICATES

Delinquency Numbers for quarter ending 12/31/07

# Loans	% Delinquent	UPB (\$)	% Delinquent
30 Days	3.91%	10,780,566.33	3.50%
60 Days	1.37%	3,430,597.39	1.11%
90 Days	0.63%	1,765,029.57	0.57%
Bankruptcy	0.21%	361,840.63	0.12%
Foreclosure	0.85%	1,956,064.46	0.63%
Totals:	6.98%	18,294,098.38	5.93%
Total Portfolio		# 946	\$ 308,251,597.45

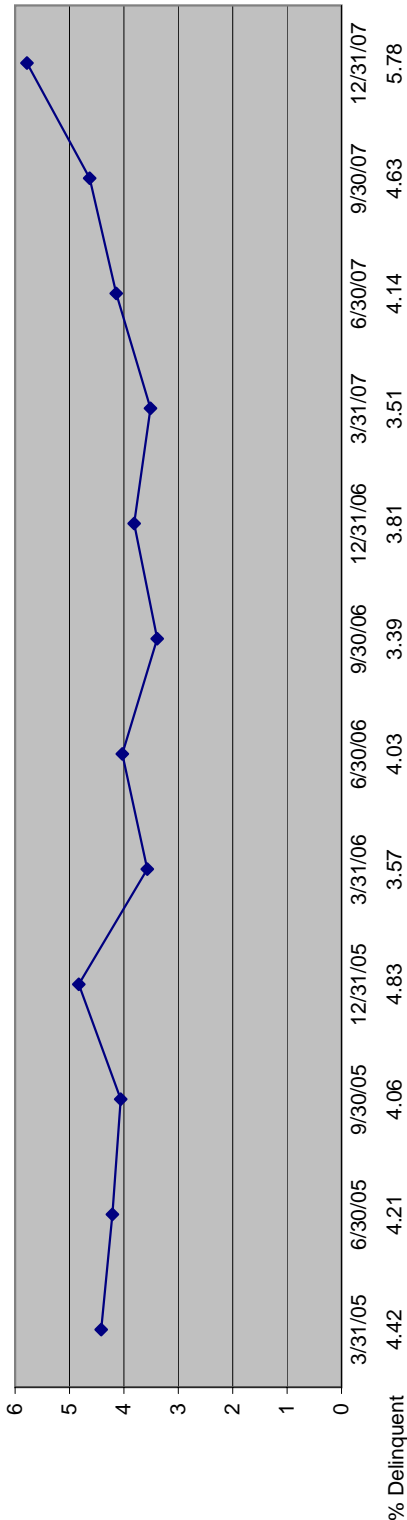
CALPERS PARTICIPATION CERTIFICATES % OF LOANS DELINQUENT QTR ENDING 12/31/07





# DELINQUENCY REPORT CalPERS Personal Loans

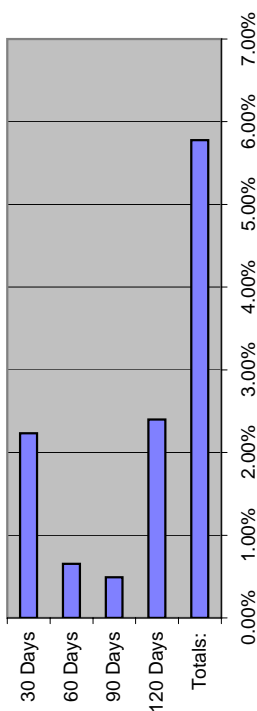
% LOANS DELINQUENT FOR QUARTER ENDING 12/31/07



PERSONAL WHOLE LOANS  
 DELINQUENCY NUMBERS  
 QTR ENDING 12/31/07

# Loans	% Delinquent	UPB (\$)
30 Days	2.23%	152,136.42
60 Days	0.65%	64,975.06
90 Days	0.49%	72,513.35
120 Days	2.40%	205,405.55
<b>Total Delinquent</b>	<b>5.78%</b>	<b>495,030.38</b>
<b>Total Portfolio</b>	<b>1,835</b>	<b>\$10,319,130.49</b>

PERSONAL WHOLE LOANS  
 % OF LOANS DELINQUENT  
 QTR ENDING 12/31/07



For all graphs above, percentages are based on loan count in order to calculate delinquency data consistent with the MBA.

Personal loans that have been called into default (program to date):	
number of loans: 571	\$ total: \$2,618,482.60

Personal loans that have been purchased by CalPERS (program to date):	
number of loans: 19,789	\$ total: \$146,759,457.00

## **APPENDIX A**

### **CalPERS MEMBER HOME LOAN PROGRAM PARTICIPATING LENDER LIST**

**For quarter ending 12/31/07**

ALTURA CREDIT UNION  
BROADVIEW MORTGAGE COMPANY  
COUNTRYWIDE HOME LOANS, INC.  
EAGLE HOME MORTGAGE, INC.  
FIRST HORIZON HOME LOAN  
CORPORATION  
FIRST MORTGAGE CORPORATION  
GATEWAY BUSINESS BANK  
GMAC MORTGAGE CORPORATION  
GUILD MORTGAGE COMPANY  
INDYMAC BANK, FSB

MOUNTAIN WEST FINANCIAL, INC.  
NCMC A SUBSIDIARY OF NATIONAL CITY  
REPUBLIC MORTGAGE HOME LOANS  
SIERRA PACIFIC HOME LOANS  
SIERRA PACIFIC MORTGAGE COMPANY, INC.  
SOUTH PACIFIC FINANCIAL CORPORATION  
THE GOLDEN 1 CREDIT UNION  
THE MORTGAGE HOUSE, INC.  
U.S. FINANCIAL MORTGAGE CORPORATION  
VITEK  
WELLS FARGO BANK, NA

<b>TOTAL NUMBER OF LENDERS:</b>	<b>23</b>
<b>TOTAL NUMBER OF BRANCHES:</b>	<b>499</b>

## APPENDIX B

### Qualifying Standards for CalPERS Participants

- Audited financial statements, which usually report the performances of the past two years.
- The most update quarterly financial statements (unaudited interims)
- Quality control procedures
- FNMA approved with ID number (letter attached).
- Net worth of at least \$500,000 (based on audited financial statements).
- Has been in business for two years (based on audited financial statements).
- Has operated profitably for two years (based on audited financial statements).
- Approval from: RADIANT, GEMICO, UGIC, PMI, MGIC, RMIC, or TRIAD
- Certification of current Error & Omissions Insurance and Fidelity Bond Coverage (minimum coverage at least \$300,000 and current at time of review).

**For applicants requesting SERVICING RETAINED status:**

- The Applicant's delinquency and foreclosure ratios in California for the past three years are equal to or less than the average ratios for comparable institutions as reported by the MBA.
- Currently servicing a residential loan portfolio of at least \$300MM with the capacity of servicing FNMA MBS'.